

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7630

BILL NUMBER: SB 490

NOTE PREPARED: Apr 8, 2003

BILL AMENDED: Apr 8, 2003

SUBJECT: Department of Indiana Heritage and Historic Sites.

FIRST AUTHOR: Sen. Merritt

FIRST SPONSOR: Rep. Lytle

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill establishes the Department of Indiana Heritage. The bill also allows the Natural Resources Commission to set, collect, and review admission fees for historic sites. The bill makes changes to the organization and duties of the Division of State Museums and Historic Sites and the Division's board of trustees. It establishes the Historic Site Fund and requires the fees to be deposited in the fund. The bill provides that at least 51% of the fees collected from a particular historic site must be used for the educational programs conducted at the historic site and for the maintenance and operation of the historic site. The bill also requires the Personnel Department and the Budget Agency to study the structure of the Department of Indiana Heritage.

Effective Date: (Amended) May 15, 2002; July 1, 2004; Upon Passage.

Explanation of State Expenditures: (Revised)

Department of Indiana Heritage. The bill establishes the Department of Indiana Heritage. The Department consists of the Office of the Commissioner. The purpose of the Department is to promote and facilitate the preservation, enhancement, enjoyment, and educational interpretation of the varied forms of Indiana heritage; and perform other educational functions. The Department shall not assume any obligation, liability, or burden that exceeds appropriations made by law for the payment of such obligations, liabilities, and burdens. Subject to the approval of the Budget Agency, the Department may establish additional accounts or combine existing accounts as necessary to carry out the duties of the department.

Office of the Commissioner. The office of the commissioner of the department is established. The Governor must appoint the commissioner who serves as the executive and chief administrative officer of the

Department. The commissioner is entitled to compensation in an amount to be fixed by the Budget Agency with the approval of the Governor. The overall impact is indeterminable at this time.

Division of State Museums - This bill clarifies the duties of the Division of State Museums and Historic Sites and makes changes to its Board of Trustees. These provisions have no fiscal impact on the Division.

Studying the Structure of the Department of Indiana Heritage. The bill requires the Personnel Department and the Budget Agency to study the structure of the Department of Indiana Heritage. It is assumed that any administrative expenses associated with this provision will be covered with existing resources.

Explanation of State Revenues: (Revised) The Department of Heritage may accept gifts, bequests, and devises of personal and real property for the maintenance, use, or benefit of the department under terms and conditions and with obligations, liabilities, and burdens that the Commissioner believes are in the best interest of the Department.

This bill creates the Department of Indiana Heritage Fund as a dedicated funding source for the Department. The fund would contain appropriations made to the Department and its divisions; assets transferred to the Department under a statute providing for the transfer of all or part of the powers and duties of another agency to the Department; the proceeds from the sale of items by the Department as directed by law; gifts of money or the proceeds from the sale of gifts donated to the Department; investment earnings from any part of the fund.

Historic Site Admission Fees - This provision would allow the Natural Resources Commission to set, collect, and review admission fee for historic sites. The fiscal impact of this provision is dependent on administrative action.

According to the Division of State Museums and Historic Sites of the Department of Natural Resources, nine sites are being considered for applying an attendance fee. Attendance at the nine historic sites for CY 2001 was 215,770. The Division is considering a fee between \$3 and \$6 depending on each site's demand and additional services that may be offered. Based on this information, the nine state historic sites' admission fees would generate between \$647,310 and \$1,294,620 in additional revenue.

The Division is also considering exempting from the admission fee groups of school children, which make up a quarter of the attendance among all state historic sites. If groups of school children are made exempt from the fee, the additional revenue generated would decrease to between \$485,483 and \$970,965.

It is possible that two of the state historic sites may not be chosen for the admission fee. Excluding the two sites would decrease the fee revenue by \$132,212 to \$264,425.

The revenue generating potential of a \$3 to \$6 admission fee could range from approximately \$350,000 to \$1.3M, based on attendance. Revenue from an admission fee would be deposited in the Historic Site Operation Fund. The Fund is to be administered by the Division of Historic Preservation and Archeology, and expenses of the Fund are to be paid from the Fund. Money in the Fund will not revert to the State General Fund at the end of the fiscal year. Gifts may also be deposited in the Fund.

The bill also designates at least 51% of the admission fees to be used for educational programs conducted at the historic sites and for maintenance and operation of the historic sites.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: (Revised) Department of Natural Resources.

Local Agencies Affected:

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